

Message Text

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PAGE 01 LONDON 10846 010944Z
ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
OMB-01 /101 W

-----021098 010950Z /17

R 301618Z JUN 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5700
INFO AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION GENEVA

C O N F I D E N T I A L LONDON 10846

USEEC ALSO FOR EMBASSY

USMTN ALSO FOR MISSION

E.O.11652: GDS
TAGS: ETRD, EPAP, UK, EC
SUBJECT: ANTIDUMPING: KRAFT LINER

REF: LONDON 3878 (NOTAL)

SUMMARY. REPRESENTATIVES OF TWO BRITISH PAPER INDUSTRY ASSOCIATIONS HAVE COME TO THE EMBASSY ON AN "INFORMAL BASIS" TO EXPRESS THEIR CONCERN THAT U.S. COMPANIES APPEAR TO BE DUMPING KRAFT LINER IN THE UK. THEY IMPLY THAT A FORMAL COMPLAINT MAY BE BROUGHT UNLESS THE U.S. INDUSTRY GETS THEIR MESSAGE AND INCREASES PRICES. MEISTER OF API HAS ALSO BEEN AT EMBASSY THIS WEEK AND GAVE PERSONAL ASSESSMENT THERE IS NO U.S. DUMPING IN BRITAIN. END SUMMARY.

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PAGE 02 LONDON 10846 010944Z

1. REPRESENTATIVES OF THE BRITISH PAPER AND BOARD INDUSTRY FEDERATION (BPBIF) AND THE CORRUGATED CASE MATERIALS ASSOCIATION (CCMA) CAME IN TO CALL ON EMBASSY OFFICER ON AN "INFORMAL BASIS" TO EXPRESS THEIR "CONCERN ABOUT THE WORRYING SITUATION" OF APPARENT DUMPING BY THREE OR FOUR OF THE MAJOR U.S. PAPER COMPANIES SELLING

KRAFT LINER IN THE UK. (BPBIF AND CCMA REPRESENT DOMESTIC PAPER MANUFACTURERS WHO PRODUCE TEST LINER, RATHER THAN BEING PAPER IMPORTERS.)

2. AFTER THE USUAL LITURGY ON U.S. PRICE LEADER ROLE ON KRAFT LINER IN EUROPE AND HOW U.S. PRODUCERS PLAY HAVOC WITH UK MARKETS BY EXTREME PRICE FLUCTUATIONS, THEY MADE THEIR CASE ALONG THE FOLLOWING LINES:

(A) THE CIF PRICE OF U.S. KRAFT LINER LANDED AT UK PORT IS \$275 PER METRIC TON.

(B) THE DELIVERED FACTORY PRICE IN THE U.S. IS \$215 PER SHORT TON (I.E., \$237 PER METRIC TON).

(C) THE DIFFERENCE BETWEEN THE TWO PRICES IS \$38 AND IF, AS THEY BELIEVE, THE COST OF INSURANCE AND FREIGHT TO UK PORT IS GREATER THAN \$38 AND MATERIAL INJURY EXISTS, A PRIMA FACIE CASE OF DUMPING EXISTS.

3. DURING COURSE OF THEIR PRESENTATION IT WAS OUR IMPRESSION THAT THE INTENT OF THE VISIT WAS TWOFOLD. FIRST, THEY WANTED TO ESCALATE THE LEVEL OF CONCERN THEY EXPRESSED IN MARCH (REFTEL) AND RAISE THE THREAT OF A MAJOR DUMPING INVESTIGATION AS A VERY REAL POSSIBILITY. SECONDLY, THEY WERE SEEKING TO USE THE USG TO GET A MESSAGE TO THE U.S. INDUSTRY TO EASE THE PRESSURE ON UK TEST LINER BY RAISING PRICES ON KRAFT.

4. WE ALSO HAD THE FEELING THAT THEY ARE NOT ENTIRELY CONFIDENTIAL

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PAGE 03 LONDON 10846 010944Z

CERTAIN THAT EVEN TECHNICAL DUMPING IS TAKING PLACE AND THEY WANTED SOME INDICATION AS TO HOW USG SEES THE SITUATION. OUR SOLE UNDERTAKING WAS TO INSURE THEM THAT THEIR VIEWS WOULD BE PASSED TO WASHINGTON AGENCIES.

5. WE HAD SEVERAL CONVERSATIONS WITH MEISTER DURING THE WEEK. ONE OF THE REASONS SHE WAS IN LONDON WAS TO LOOK INTO THE CONTINUED RUMBLINGS ON KRAFT DUMPING. THE INDUSTRY CALL ON THE EMBASSY WAS SCHEDULED PRIOR TO HER ARRIVAL HERE. MEISTER SAID SHE HAD ALSO SPOKEN TO BPBIF AND CCMA REPRESENTATIVES AND RECEIVED THE SAME IMPRESSION THAT UK FIRMS WERE "TRYING TO SCARE" U.S. FIRMS INTO RESTORING THE NORMAL 10 PERCENT MARGIN BETWEEN KRAFT AND TEST, WHICH IS NOW DOWN TO APPROXIMATELY 8 PERCENT.

BREWSTER

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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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Copy: SINGLE
Sent Date: 30-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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